

"I have no phone in my house."

Large segments of the population, particularly in the urban areas, Newark, Jersey City, the Oranges, Paterson, New Brunswick, Dover, Elizabeth, Trenton, and Camden, still use pay phones almost exclusively, said Arthur Cooper, the owner of Actel Inc., a Cedar Knolls-based private pay phone owner.

Cooper, whose company owns 300 phones in New Jersey, said his "best guesstimate" is that 20 percent of the people in the inner cities, where most of his phones are installed, lack phones of their own. Even people who can afford monthly payments are sometimes denied phones because of their "inability to maintain a credit relationship," he said. "They are precluded from having cellphones for the same reason."

Verizon Communications Inc. does not require a deposit if the customer had service in the last three years and has good credit, said spokeswoman Lacy Yeatts. But others must pay \$ 100 or more. The amount is equal to two months billing for the average New Jersey customer, Yeatts said.

That's Starr's problem. "They wanted \$ 100," she said. "Prepaid." But she can afford a pager, so Starr receives messages on her pager, and uses pay phones to get back to callers.

Even as the number of pay phones drops steadily, people in South Paterson have no trouble finding one. There are as many as six on some blocks, bolted to the facades of local businesses or standing atop curbside poles, topped by their easy-to-spot signs. Additional 1 phones are in stores and bars.

Some are owned by the long-established Verizon,, the former Bell Atlantic, and many customers consider those phones the most reliable, Beesley said. But others carry less familiar names, such as Crescent Telephone Co., Phone Tech Inc., or Cooper's Actel. Some of them offer discounted rates.

Pay phones are plentiful in other blue-collar areas dominated by foreign-born residents, such as near the intersection of Anderson and Fairview avenues on the Fairview-North Bergen border, and even in more upscale business districts, such as Main Street in Fort Lee and Cedar Lane in Teaneck.

William Gray invented the unattended coin pay phone in 1889 and installed the first one at a bank in Hartford, Conn. Pay-phone technology didn't change much between 1913, with the invention of the three-slot phone, and 1965, when modern, single-coin models debuted. The industry changed radically in 1984, when the Federal Communications Commission ruled that local phone companies had to open their networks to competitors. Quickly, the established utilities lost their monopolies. A quarter of the nation's 2 million pay phones are now owned by independents.

But after more than a century of growth, pay phone use is declining, and the phones are becoming hard to find in the suburbs, airports, and college campuses and along highways.

"In Wallington, there are no pay phones for four blocks," Beesley said.

And the volume of calls from many of those phones, as well as those at highway gas stations, has fallen, Cooper said. "It's not that the pay phones aren't used at all, but use is on the decline," he said.

When that happens, phone owners pull the plug. It costs a company about \$ 2,000 for equipment and installation and to procure a location, and there are ongoing costs for line rentals and commission to the site's owner, Cooper said.

Blame it on the dramatic growth in wireless use over the last 2 1/2 years or so, said Paul Francischetti, vice president of marketing and business development for Verizon's public communications group.

"There's no question. This is a tough business and it has become even tougher," Francischetti said.

Although wireless use was cutting into pay phone business for years, the impact has been greatest since the fall of 1998, he said.

"That's when the real cellphone price wars erupted, with flat rates, nationwide coverage, free minutes. That's when the curve started changing. We saw a real dramatic change in wireless use, and that translated into a downward trend in pay phone usage."

Even with the slippage, and Bell South's decision, Verizon has no intention to exit the business, Francischetti said.

"We have different market demographics than Bell South, the kind of core users of pay phones," he said. "We tend to have more larger urban areas, we tend to have more people who still use pay phones, and use them frequently," he said.

Pay phones also remain important for "a significant segment of the working population," and it's not just the 1 "unsubscribed," like Starr and Beesley, who don't have land-lined phones.

There also are people who don't have access to a phone at work, and for whom cellphones are impractical, Francischetti said.

"I come to work, and have access to a phone on my desk," he said.

"But a large segment of the population, mostly blue collar, factory, restaurant, or service industry workers, have no access to a phone, except a pay phone in the break room or cafeteria."

There also are "wireless gap" users, who turn to pay phones because their cellphones don't work, Francischetti said. "Ten years ago, they used pay phones and wireless only when couldn't find one. Nowadays, we're seeing that kind of reversed. The 'gap phone is the [pay phone]."

"It's great when your cellphone batteries die," said Mustafa Tugezin of Paterson, who said he uses public phones often.

Pay phones also are important in group homes, halfway houses, rehabilitation centers, and other institutions that can't afford to supply all their residents communications needs, said Elaine Meyerson, executive director of Shelter Our Sisters, a Bergen County residence for women who are victims of domestic violence.

Residents rely on pay phones, Meyerson said. "They need to communicate about jobs, housing, and it gets very costly."

Heavy users also include the "pre-adult" market, a segment that cuts across socioeconomic lines, and people at airports and railroad and bus stations.

"Most of those places are dominated by multiple banks of phones, never a single phone, and we're starting to see the banks getting smaller," Francischetti said.

"Maybe five years ago, three years ago, they needed five pay phones in a bank. Now they need only four. A lot of the decline in the number of pay phones is reflective of the number of phones in banks."

That's what happened at Ramapo College in Mahwah. Two years ago there were 71 pay phones on campus; and now there are 36, including four in a new building, said spokeswoman Bonnie Franklin.

The reason? They weren't profitable.

Financial Times (London)
May 16, 2001, Wednesday Surveys IT11
SECTION: SURVEY - FT TELECOMMS; Pg. 11

HEADLINE: Vanishing from the landscape: PAYPHONES IN THE US by Stephanie Kirchgaessner: Despite the importance of payphones to less advantaged communities, call box operators are abandoning the market:

BYLINE: By STEPHANIE KIRCHGAESSNER

Millions of Americans may have mobile phones, and the vast majority of the population have fixed lines, but for those who have neither, the payphone network can be a lifeline.

Even in the 21st century, nearly 5 per cent of US households are without any phone service. This creates the need for programmes such as Community Voicemail, which gives people who need communication, but do not have access to phones, a phone number and voicemail system, so that messages can be left for them and retrieved, usually from payphones.

The programme, available in 38 cities across the US, is targeted at the poor and the homeless, who need access to messages to alert them to jobs, and who are almost impossible to contact through the shelters in which they live.

It is also aimed at battered, desperate women such as Cheryl.

She could not use the phone at her home, for fear that her abuser would rip it out of the wall and hit her. Instead, she would use payphones to access messages from counsellors who convinced her to leave.

Unfortunately the programme, which provides a basic but essential function, could face serious obstacles if current trends in the telecoms industry continue. The payphone, once ordinary and readily accessible, is disappearing from the American landscape. Since 1998, the number of payphones available has decreased by 400,000 and now stands at 2.2m nationwide.

Just last month, BellSouth, a Baby Bell that covers the southeast of the US, said it would quit the payphone business by December of 2002, focusing its attention instead on the future of its business; its wireless communications businesses, which includes wireless telephones and pagers and has already seen explosive growth over the past few years.

BellSouth's decision to abandon its 143,000 payphones, which may be picked up by alternative carriers, is not surprising. The company says it saw a dramatic decrease in usage after 1998, the year wireless telecoms companies started offering packages of minutes combined with mobile phones at a reasonable price and usage rates of mobiles skyrocketed.

Decreased use of payphones for people on the go since the advent of the mobile is not the only factor hitting payphone providers' businesses. BellSouth, along with Verizon, and private payphone operators are not paid for about 35 per cent of the calls made from their phones, according to Vince Sanbusky, president of the American Public Communications Council (APCC), a trade organisation which represent private payphone operators.

Until recently, payphone service providers, such as Verizon, faced the impossible: they had to collect compensation for coinless (prepaid) calls made from their payphones by multiple carriers that could not be tracked.

For example, in the past, a company like WorldCom sold minutes of payphone usage to resellers, or companies that sell calling cards and other methods of coinless phone service. Verizon has, over the past few years, been forced to turn to the resellers, not WorldCom, to receive payment. The task was largely impossible, because resellers, of which there are hundreds, were impossible to track.

In April, however, the Federal Communications Commission released an order that would modify the way payphone carriers collect their money, placing the responsibility of collecting the revenues from toll free calls on the first carrier of the call, or, in this case, WorldCom, which, for Verizon, could easily be traced.

Though payphone operators see the order as a move in the right direction by the FCC, Verizon, among others, says it has taken the US telecoms regulator too long to find a solution to a problem that has caused the payphone industry to lose what the APCC estimates to be about Dollars 300m per year.

However, despite the drawbacks, Verizon says it will remain in the payphone business, unlike BellSouth.

"We have started with about 400,000 payphones worldwide, and we intend to stick with them," Jim Smith, a Verizon spokesperson, says.

"With the challenges of wireless, we need to enhance our product line, so we have things in the marketplace that people in motion might need - such as internet kiosks. We are also experimenting with computer modem ports in payphones," Mr Smith adds.

Taxicab and bus users may even find a mobile payphone at their disposal down the road, he says.

In a time of declining revenue, Verizon is removing phones from some areas to increase returns from other areas. But cutting back in some localities does not mean the company is ruling out making a gain in market share in other lucrative areas, particularly as BellSouth makes its exit.

Meanwhile, Richelet Jean, director of Community Voicemail in New York, says the elimination of payphones contributes to a growing digital divide,

and ignores a huge part of the population that uses them for everything from emergency calls to long-distance services.

"The payphone around the corner becomes the connection to everyday life," Mr Jean says.

The Bismarck (ND) Tribune

Shrinking revenues lead to a few less pay phones

JOE GARDYASZ , Bismarck Tribune

The only thing worse than not being able to get change for the pay phone: Not finding a pay phone when you really need one.

Public pay phones are disappearing from the American landscape, and North Dakota's no exception. In just the past month, pay phone companies have reduced the number of phones at Bismarck's Civic Center, the airport and around downtown.

Around North Dakota, pay phones are particularly important in poor communities such as the Standing Rock Reservation. Most people on the reservation don't have phones, and it's about a mile into Fort Yates to use one of a handful of pay phones.

At Bismarck's middle schools and high schools, free courtesy phones have replaced pay phones completely, which administrators say has proven a better service to students.

According to the American Public Communications Council, there are now about 2.2 million pay phones in service around the country, about 400,000 fewer than just two years ago.

Nationally, the majority of pay phones are operated by large "local exchange carrier" companies such as Qwest.

Like the other former Baby Bells, Qwest has cut back considerably on pay phones in recent years. Others, such as BellSouth, have opted to hang up the pay phone business entirely.

Qwest, formerly U S West, sold 400 of its North Dakota pay phones to a rural exchange carrier in 1997. Additionally, the company has taken about 20 percent of its remaining pay phones in North Dakota out of service since 1998, spokesman Kent Blickensderfer said. Qwest now operates 938 pay phones in the state, compared to nearly 1,200 three years ago.

The remainder of pay phones nationwide, about 400,000, are operated by independent pay phone providers that pay local exchange carriers for access lines.

U.S. Telecoin, a pay phone company operating in 17 states, has taken about 30 percent of its phones out of service in the past three years, said Albert Mokry, the company's president. In North Dakota, the Dallas-based company has cut back from 330 phones to just fewer than 250.

With the increasing use of 800 numbers, dial-around long distance services and calling cards, the pay phone providers are getting reimbursed for only a fraction of the actual calls being made, Mokry said. At the same time, pay phones are being used less as cell phones become more prevalent.

Many of the phones that have been pulled were in libraries, schools and parks, the type of less profitable locations the companies have subsidized in the past with revenue from busier locations, he said.

Cell phone usage has also reduced pay phone revenues, but not so much in rural areas because there aren't as many cell towers there, he said.

"To me, it's a pretty simple issue," Mokry said. "We're having to take out phones that once were profitable. And locations that once were two-phone locations are one-phone or no-phone locations."

Hit hardest

Meanwhile, the trend of disappearing pay phones is hitting the poor and rural communities the hardest, according to the APCC. The council estimates one in four poor Americans living in rural areas lack basic home telephone service. It also estimates that 86 percent of rural households and 92 percent of poor households don't own a cell phone.

Residents on the Standing Rock Reservation have access to four public pay telephones, each located at Fort Yates.

Until last year, there had been just one at the police station, according to the tribal chairman's office. Additional phones were installed at the two service stations and the liquor store to cut down on calls being made from the chairman's phone, however.

The phone bill for the chairman's office reached \$4,000 a month because of tribal members using the phone for non-emergency calls, said Pearl Three Legs, executive clerk to the tribal chairman.

Now, members are sent directly to the appropriate department and are allowed to use the phone only for actual emergencies, such as a death in the family, she said.

Having a pay phone or two near the residential areas would be helpful, Three Legs said. "There's quite a difference to walk in to town. It's a good mile, three-quarters of a mile to walk in to use the phone."

In March, some pay phones contracted to the city of Bismarck went out of service after the company providing the phones went bankrupt. The

new [pay phone] provider, U.S. Telecoin, has since cut back the number of phones at each location. The Bismarck Civic Center, for instance, went from 12 phones to eight.

"You're seeing more and more people using cell phones," Civic Center Manager Dick Peterson said. "Our concern is individuals who come to an event who need to communicate to get a ride." There is a free courtesy phone people can use for local calls, however.

There are also fewer pay telephones at the airport, where seven out of 17 phones were recently removed. The explosion in cell phone usage has been a factor, Airport Manager Greg Haug said.

"You hate to lose any of them at any time, but the bottom line is they've got to be able to cover their costs and make a small amount of money off the service provided," he said.

Other high-tech conveniences may assist travelers in at least more easily e-mailing their offices. Haug said he has been approached by a company interested in installing a wireless Internet for the airport.

More efficient

In the Bismarck School District, many of the schools have replaced pay phones with free courtesy phones in the past couple of years, said Jerry Gusaas, the district's director of buildings and grounds.

"It's way more efficient to pay just the line charge than to pay for the (pay) phone system because they weren't being used enough," he said. The phones each have a block on them to prevent long distance calls from being made.

The only added cost was buying some durable phones, he said.

The school district is also experimenting with courtesy phones at several of the elementary schools in the gyms for people to use following after-hours events.

"It's awful nice for people to have that option," Gusaas said. "Kids don't have to dig for 35 cents. I suppose a lot of them have cell phones, though."

REMOVAL OF MANY PAY PHONES POSES PROBLEMS FOR SMALL-TOWN RESIDENTS

ECONOMICS: COMPANIES BLAME COMPETITION FROM CELL PHONES AND 800 NUMBERS. BUT SOME PEOPLE SAY THE SERVICE IS THEIR LIFELINE.

January 22, 2001
By Bettina Boxall
Times Staff Writer

The pay phone in Goodyears Bar, population 100, is gone. So is the one in Gazelle, population 400, and the one at the public school in pint-sized Pike.

The ubiquitous pay phone is disappearing from lonely outposts and city street corners throughout the state, the victim of cellular phone competition and other economic pressures.

In the last year, companies yanked out about 1,000 pay phones a month in California. No one is predicting that coin box phones will vanish from the landscape, but their declining numbers are stirring outcries in rural settlements and urban neighborhoods alike.

The loss is particularly painful in the back country, where cell phones may not work and some residents may not have a phone line to their house.

It doesn't sound really serious when you say, "Take a pay phone out here and there," if you live in a city," said Siskiyou County Supervisor Bill Hoy. "But when you take one out of a community and it's 10, 20 miles or 100 miles to the next pay phone, it's different."

Since Gazelle, a farm and ranch community about 20 miles from Mt. Shasta, lost its lone pay phone last fall, Postmaster Barry Thomsen has had to come to the rescue of a local woman with pneumonia and a man who ran out of kerosene to heat his trailer.

They both asked him to phone for help, which he did.

"I just wonder, if there's a real emergency when I'm not open, what people do," Thomsen said. Sure, they can go to a house, he said, but "if [the residents] don't know you and it's dark, some of these people are not going to be eager to open their door."

Thomsen is crossing his fingers that the nearest pay phone, nine miles away, doesn't get carted off as well.

Over in Goodyears Bar in scantily populated Sierra County, Cheryl Morse tried without success to get Pacific Bell to reinstall the public phone that was removed in late 1999 from the spot where it had stood for at least two decades, next to an old one-room schoolhouse.

"Tragedies happen, and we need that phone booth there. It's that simple," she said. Cell phones don't work in the little enclave, next to a fork of the Yuba River popular with rafters. "It's just scary that there is no phone there now for any kind of emergency," Morse said. "That river is used a lot."

Pacific Bell is in the process of taking out about 22,000 of the 140,000 pay phones it owns in California. Other companies are pulling out some of their public phones.

There are now 258,658 pay phones in California, compared with 270,000 a year ago, according to the state Public Utilities Commission.

Pay phone owners say the shrinking numbers are a simple product of economics.

The cell phone explosion has stolen customers, and the growing use of 800

numbers and debit cards has made it harder for pay phone companies to collect fees from carriers.

Changes in federal regulations in 1996 also barred phone companies from subsidizing their pay phone divisions with revenue from other parts of their operation.

All that means that unprofitable pay phones are under scrutiny as never before.

"I think there's a lot of phone removal to come," said Thomas Keane, president of the California Pay Phone Assn. and chief executive of Pacific Coin, which owns pay phones in California, Arizona and Nevada.

The trend is evident across the country.

Vince Sandusky, president of the American Public Communications Council, which represents the pay phone industry, estimated that the number of pay phones peaked nationally in 1998 at 2.6 million. That figure has since fallen by more than 400,000.

Martin Garrick, who owns a small pay phone company in San Diego, goes so far as to characterize his industry as "a buggy whip business" on the wane because of market and technology forces.

"Having a pay phone that someone has to clean and repair every month when that's no longer subsidized is no longer feasible," he said.

Pacific Bell media relations director John Britton and other phone industry representatives pointed out that California does have a fund that will subsidize public phones if they are deemed necessary for public health

and safety.

The PUC said a number of applications to the fund are pending, but there are now only 75 such phones in the state.

And if a store owner or community really feels a pay phone is necessary, Garrick said, they can install their own for \$1,500 to \$2,000 and then pay monthly line fees of \$30 to \$50.

Indeed, Britton said that after Pacific Bell removed pay phones from campuses in a Bay Area school district, officials decided to lease seven phones to get them back on school grounds.

That's unlikely to happen at Pliocene Ridge Schools in the Sierra County hamlet of Pike.

"Ha ha," responded special education teacher Rayette Ringle when asked whether the school might replace the phone removed by Pacific Bell last year.

The 100 or so students at the small school, kindergarten through 12th grade, greatly miss the pay phone, she said. "It makes you feel like you're connected. It was scary to see it ripped out."

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BellSouth to Extend Pay Phone Operation by One Year in Southeast

By Stan Choe, The Charlotte Observer, N.C.
Knight Ridder/Tribune Business News

Aug. 21--BellSouth Corp. said Monday it will continue operating pay phones in the Southeast through 2003, a year longer than it had earlier said. The utility extended the deadline after several customers, including hotels and gas stations, asked for more time to find alternate service. But after 2003, many of those gas stations, hotels and street corners will probably look more naked, independent payphone operators say. Those operators could buy the pay phones once BellSouth is done. But the independent operators say the business is so bad and North Carolina is so difficult to operate in that they can buy only around half of BellSouth's phones. That worries the advocacy groups like the N.C. Coalition Against Domestic Violence. For its clients, "payphones are more than a convenience -- they are a lifeline," wrote executive director Patty Neal Dorian in a letter to Congressional members in hopes of changing federal guidelines. About 5 percent of N.C. households don't have telephone lines, said BellSouth spokesman Clifton Metcalf.

North Carolina has about 11,500 BellSouth payphones, and South Carolina 9,300, numbers that dwindle daily. Because of lagging demand, BellSouth has pulled about 10 percent of its payphones in the Carolinas in six months. Independent companies, including small operators and large players like Verizon, started installing pay phones after telephone industry deregulation in 1986. Now the independents have 25,000 payphones in North Carolina. Those operators and BellSouth have seen mobile phones, which are in about half of American households, steal a big chunk of payphones' business. Several independent payphone companies are in Chapter 11 bankruptcy protection. The largest, Davel Communications Inc. of Florida, reported a \$12.6 million net loss last quarter.

"It's the worst I've ever seen it," said Vincent Sandusky, president of the American Public Communications Council, which represents independent payphone companies.

Sandusky's group has seen its membership drop 500 members to 1,250 in the past three years, as more companies exit the business.

"People were hanging on and hoping things would get better," he said.

"But things have been so bad for so long."

On top of the industry malaise, N.C. competitors must face BellSouth charges double those of other states', independent phone companies say. Pay phone companies pay BellSouth about \$40 to \$60 per month for each payphone, to get a dial tone and other options.

In Tennessee, that total rate is about \$25 per month, said Vince Townsend, president of the North Carolina Payphone Association, a group of independent payphone companies, and owner of his own.

BellSouth acknowledges it has different rates in its nine-state region.

The company charges those rates in North Carolina to help make up the cost of ensuring everyone in the state has access to telephone lines, no matter how remote, said BellSouth spokesman Metcalf. That cost ranges depending on how expensive it is to install the line.

Several independent payphone companies have lodged complaints with the N.C. Utilities Commission and the Federal Communications Commission, hoping for lower rates.

Charitable groups have joined the fight. They have become worried about the weakened competition and dwindling number of [payphones] in North Carolina. Several groups, including housing coalitions, the Red Cross and domestic violence groups, wrote a letter to Capitol Hill earlier this month, asking for lower prices for independent phone companies.

"Please take whatever action is necessary to make sure pay phones are available for everyone," Dorian, the domestic violence director, wrote the FCC and N.C. senators.

Northwest Florida Daily News (Fort Walton Beach, FL)
04/15/2001

Will pay phones become extinct?

By DUWAYNE ESCOBEDO, Daily News Contributing Writer

Across Northwest Florida, and the rest of the country too, pay phones are rapidly disappearing.

Sprint has pulled 12 percent of its pay phones locally. BellSouth announced in February it's ridding itself of all 143,000 of its pay phones in nine southeastern states, including 32,000 in Florida.

And some local independent pay phone providers estimate reductions anywhere from 10 percent a year to as much as half during the past three years.

Nationwide the number of pay phones has plummeted from 2.6 million to 2.1 million in the past five years, a nearly 24 percent drop.

Mike Jett, Pro Telecom Inc. president, operates about 700 pay phones from Fort Walton Beach to Tallahassee. The company also serves Alabama and Georgia. His company now maintains about half the number of phones it did just three years ago.

"I won't lie to you. It's been tough," he said. "More independent providers have gone out of business than have stayed in. But we plan to survive".

The first public pay phone was installed in 1889 and by 1902 about 80,000 existed. By 1960 more than 1 million were in operation. They often were the only phone in a community or rural area.

So, if there's no more phone booths, where will Clark Kent change into Superman in the 21st century?

The pay phone industry blames the 1996 Telecommunications Act that deregulated phone companies. Deregulation spurred calling cards, pre-paid calls, toll-free numbers and 10-10 dial-around numbers.

Pay phone operators were supposed to get 24 cents from the phone company handling the call but 20 to 50 percent of those revenues go uncollected, reports the American Public Communications Council, which represents about 1,600 independent pay phone companies. It's a loophole the Federal Communications Commission is planning to close, which could restore about \$300 million a year in revenue, the APCC said.

Plus, there's stiff competition from the explosion in popularity of cell phones, pagers, e-mail and other wireless communication devices.

Although some have predicted the pay phone going dead in 10 years, David Blumenthal expects a healthy dial tone for many years to come. The BellSouth spokesman said even though his company plans to pull the plug on all of its pay phones by the end of 2002, others will remain.

"We foresee there will always be a place for them," he says. "They'll be around another 100 years or more. People want alternatives".

Because of their convenience, public safety reasons and the fact that about 6 million Americans don't have a phone, local pay phone operators agree. Pay phone proponents also point out millions more don't have cell phones, wireless service is sometimes spotty and unreliable, and pay phones provide more secure lines than do cell phones.

Jason Duff said Sprint has no intention of following BellSouth's lead. The Sprint spokesman said his company began evaluating its pay phone system more than a year ago to determine which phones were profitable and would survive. Sprint refused to provide the exact number of pay phones it owns and how many it has cut, citing competitive reasons.

"There's a shift in the industry, yes, but we're a firm believer in pay phones," Duff said. "We're well positioned with BellSouth's departure, as one of the most well recognized brand names".

Duff said the almighty dollar isn't the only consideration by Sprint to subtract pay phones, however.

"If they are serving a public good, that is first and foremost," he said. "If there is no other service available but it is not profitable, more times than not, we'll leave it in".

Despite FCC rules revisions, which take effect in about a year, James Thomas would like to see an automatic charge of at least a quarter before a pay phone would begin working.

Thomas is manager of Public Phones Inc., which owns [pay phones] from Panama City to Pensacola. The independent carrier has reduced its number of pay phones by 10 percent a year over the last few years, while major pay phone companies like ETS have filed for bankruptcy.

"I'm not happy," he said. "I see the number of pay phones continuing to decrease. We have a lot of locations big companies would have because they don't generate enough to their bottom line. But if you're jogging in a city park and somebody is suffering from heatstroke and you need to call 911, how much is a pay phone worth then?"

NOTES

* This article can be found on page E1 of the April 15, 2001 Daily News.

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PRIVACY STATEMENT/USER AGREEMENT STATEMENT



Public interest payphones are becoming a reality in Wisconsin

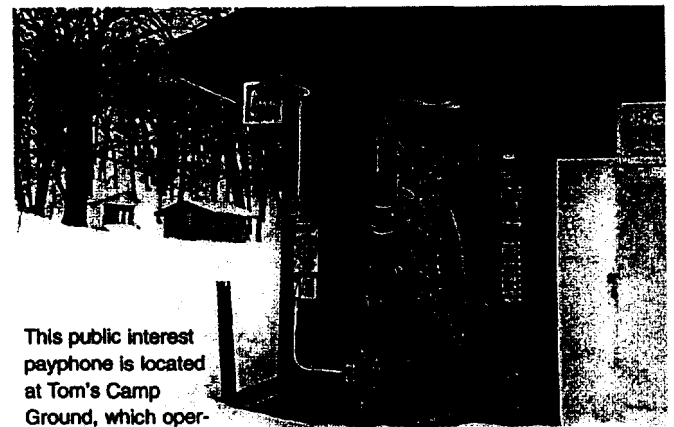
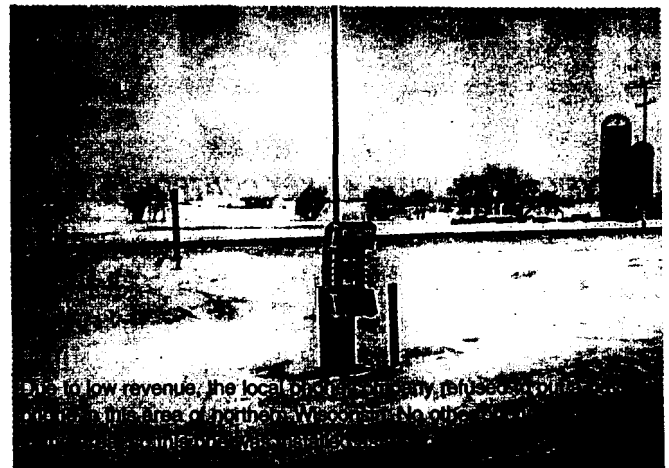
It started as a passing conversation, a vision for the future; thoughts and plans about how to maintain Wisconsin's diminishing payphone supply. Now, four short years later, those conversations and visions are a reality. As was reported in the Newsflash column in the November 2000 issue of *Perspectives*, Wisconsin has become the first in the nation to implement a Public Interest Pay Telephone Fund. This fund will subsidize public payphones that are in locations where the revenue may not be sufficient to sustain the phone, but the need for the phone in that location serves a public interest. (Locations currently without a phone may also qualify for the installation of one.)

When funding for the program was approved by the Wisconsin Legislature in July of 2000, the Wisconsin Pay Telephone Association initiated the organization of a not-for-profit company, the Wisconsin Public Telephone Administration Inc. During the next several months, all energies were focused on designing a proposal. The purpose of the proposal was to request that the Public Service Commission (PSC) of Wisconsin allocate the administration of the Public Interest Pay Telephone Fund to the Wisconsin Public Telephone Administration Inc.

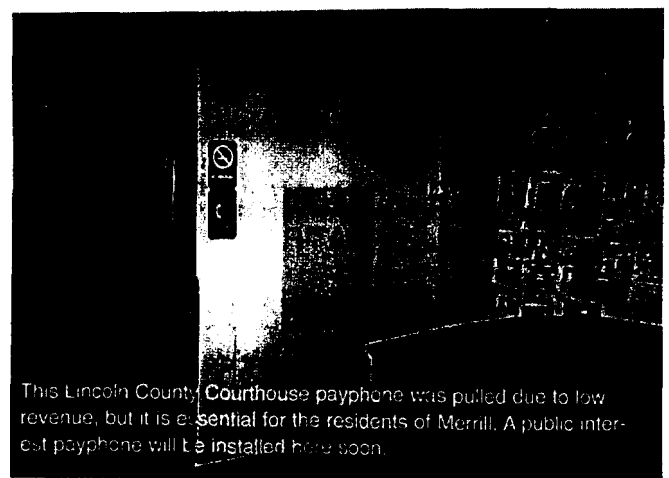
On Oct. 3, 2001, the PSC granted the authority to administer the fund to the Wisconsin Public Telephone Administration Inc. We now had the funding and were authorized to administer the program. As the first in the nation to implement such a program, we became public interest payphone pioneers, with a huge task looming before us. The task of bringing together rules and regulations set forth in state statutes and the ideas and knowledge of those working in the industry was not an easy one. There are still obstacles that we are trying to overcome and pieces that need to be put together.

The Public Interest Pay Telephone Fund derives its funding from the Wisconsin Universal Service Fund (USF). The USF was established in 1993 as part of Wisconsin Act 496 and provides funds to various public programs that serve communities throughout Wisconsin. Through the first six months of 2001, the fund has been granted \$96,000. The Wisconsin Public Telephone Administration will subsidize those public interest payphones that qualify. Next year's funding will be determined based on applications received from January through June of 2000.

On Jan. 2, 2001, the Wisconsin Public Telephone Administration Inc. began accepting applications for subsidization. To begin the process, a location must be identified as



This public interest payphone is located at Tom's Camp Ground, which operates year-round.




This Lincoln County Courthouse payphone was pulled due to low revenue, but it is essential for the residents of Merrill. A public interest payphone will be installed here soon.

meeting the definition of a public interest payphone. To be eligible for the funds, the phone cannot exceed a gross revenue of more than \$90 per month (\$120 if it is equipped with a TTY unit); it cannot be placed within 500 feet of another payphone; it must be located outside or otherwise be accessible to the public; and it cannot be grouped with any other payphones under contract. Designated areas include, but are not limited to, parks, schools, libraries, museums, boat landings and swimming pools.

Once identified as a qualifying phone, the payphone provider (or the location owner if he owns the phone) must complete an application packet and submit it to the Wisconsin Public Telephone Administration Inc. with the required verification data. Applications are then reviewed for completeness, given a recommendation and forwarded to the PSC for final approval. Once approved, the payphone provider receives a quarterly subsidization. Audits of financial records as well as a physical location audit are done on an annual basis. Subsidization is granted for a 12-month period, at the end of which the payphone provider must submit renewal information. Quarterly verification forms must be submitted to the Wisconsin Public Telephone Administration Inc. Failure to submit these forms could result in the forfeiture of subsidization.

Wisconsin, as well as the rest of the United States, is dealing with a declining number of payphones — the result of a changing society. It is imperative that as we become a "wireless society" we continue to keep the well-being and needs of those using our payphones in the forefront of our minds.

Public interest payphones are just that, a phone placed in the best interest of the public. This type of phone may save a life, help a stranded motorist, or just put two people in touch. Through this program, we hope to continue to serve the people of Wisconsin and preserve a basic, but much-needed, way of communication, the payphone. 

Cynthia Denman is director of administration for the Wisconsin Public Telephone Administration. She can be reached at (608) 251-4570 or (866) 244-4570. Denman will also be available for appointments during the first three days of APCC 2001 — "Connecting the World of Public Communications," May 15-18, at the MGM Grand in Las Vegas.

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State-by-State LEC EUCL Charges and National Weighted Average EUCL Charge

State	Primary LEC	EUCL	Total Payphones	WGHT AVG
Alabama	BellSouth	\$7.95	21,894	\$174,095.60
Alaska	GTE (Verizon)	\$9.20	4,594	\$42,264.80
Arizona	Qwest	\$8.23	37,326	\$307,192.98
Arkansas	Southwestern Bell	\$6.11	15,006	\$91,686.66
California	Pacific Bell (SBC)	<i>\$4.47</i>	246,580	\$1,103,164.00
Colorado	Qwest	\$8.99	25,863	\$232,508.37
Connecticut	SNET (SBC)	\$8.08	24,197	\$195,511.76
Delaware	Verizon	\$6.54	5,433	\$35,531.82
District of Columbia	Verizon	\$3.81	8,635	\$32,899.35
Florida	BellSouth	<i>\$8.05</i>	107,213	\$862,634.00
Georgia	BellSouth	\$7.84	58,222	\$456,460.48
Hawaii	GTE (Verizon)	\$9.20	8,196	\$75,403.20
Idaho	Qwest (Boise LATA)	<i>\$7.80</i>	6,435	\$50,192.96
Illinois	Ameritech (SBC)	<i>\$4.68</i>	95,145	\$445,652.06
Indiana	Ameritech (SBC)	<i>\$6.05</i>	38,114	\$230,700.98
Iowa	Qwest	\$4.82	10,155	\$48,947.10
Kansas	Southwestern Bell	<i>\$6.48</i>	15,881	\$102,910.09
Kentucky	BellSouth	<i>\$8.11</i>	21,244	\$172,221.44
Louisiana	BellSouth	\$7.84	26,290	\$206,113.60
Maine	Verizon	\$8.08	6,980	\$56,398.40
Maryland	Verizon	\$6.16	37,783	\$232,743.28
Massachusetts	Verizon	\$8.08	50,976	\$411,886.08
Michigan	Ameritech (SBC)	<i>\$5.47</i>	69,361	\$379,347.25
Minnesota	Qwest	<i>\$5.90</i>	20,621	\$121,585.03
Mississippi	BellSouth	\$7.84	15,295	\$119,912.80
Missouri	Southwestern Bell	<i>\$6.61</i>	36,543	\$241,428.39
Montana	Qwest	\$9.20	5,673	\$52,191.60
Nebraska	Qwest	<i>\$7.89</i>	9,539	\$75,240.40
Nevada	Nevada Bell (SBC)	<i>\$5.64</i>	17,006	\$95,899.66
New Hampshire	Verizon	\$8.08	7,851	\$63,436.08
New Jersey	Verizon	<i>\$6.28</i>	86,533	\$543,794.90
New Mexico	Qwest	\$9.20	10,378	\$95,477.60
New York	Verizon	\$8.08	175,045	\$1,414,363.60
North Carolina	BellSouth	<i>\$8.46</i>	43,598	\$368,992.00
North Dakota	Qwest	\$8.51	2,303	\$19,598.53
Ohio	Ameritech (SBC)	<i>\$6.18</i>	68,850	\$425,688.10
Oklahoma	Southwestern Bell	\$6.11	22,321	\$136,381.31
Oregon	Qwest	<i>\$8.43</i>	20,780	\$175,110.72
Pennsylvania	Verizon	<i>\$6.29</i>	84,209	\$529,899.59
Rhode Island	Verizon	\$8.08	8,287	\$66,958.96
South Carolina	BellSouth	<i>\$8.16</i>	26,053	\$212,559.68
South Dakota	Qwest	\$7.81	4,364	\$34,082.84
Tennessee	BellSouth	<i>\$7.62</i>	31,593	\$240,707.64
Texas	Southwestern Bell	<i>\$6.30</i>	135,247	\$852,376.97
Utah	Qwest	\$7.93	11,378	\$90,227.54
Vermont	Verizon	\$8.08	3,593	\$29,031.44
Virginia	Verizon	<i>\$6.83</i>	49,378	\$337,278.88
Washington	Qwest	<i>\$7.51</i>	34,274	\$257,498.98
West Virginia	Verizon	\$8.21	11,017	\$90,449.57
Wisconsin	Ameritech (SBC)	<i>\$6.04</i>	32,623	\$196,915.71
Wyoming	Qwest	\$9.20	3,765	\$34,638.00
			1,919,640	\$12,868,192.78

Weighted Average EUCL

\$6.70

Note: Italicized rates correspond to states served by an RBOC and another major ILEC. The italicized rate for that state is the weighted average of the RBOC's rate and the rate of the other major ILEC (or the highest EUCL for States served by more than one other major ILEC), weighted by payphone access lines.

Weighted Average EUCL: \$6.70 (\$12,868,192.78/1,919,640 = \$6.70)